

A U S T I N C I T Y C O U N C I L

**AGENDA**



Thursday, May 25, 2006

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#13

**Law  
RECOMMENDATION FOR COUNCIL ACTION**

**Subject:** Approve an amendment to the legal service contract with KEMP SMITH, L.L.P. for legal counsel regarding City of Austin v. Reichhold Inc., et al.; Cause No. GV505209; in the 345th Judicial District Court, Travis County, Texas in an amount of \$455,000 for a total contract amount not to exceed \$725,000.

**Amount and Source of Funding:** Funding in the amount of \$455,000 is available in the Fiscal Year 2005-2006 Approved Operation Budget of the Liability Reserve Fund.

**Fiscal Note:** There is no unanticipated fiscal impact. A fiscal note is not required.

**Additional Backup Material**  
(click to open)  
No Attachments Available

**For More Information:** Anne Morgan, Assistant City Attorney, 974-2507; Laurie Eiserloh; Assistant City Attorney, 974-2188  
**Prior Council Action:** December 2, 2004 Council approved \$150,000; October 27, 2005 Council approved \$120,000

Reichhold was the chemical company and owner of land located at 10715 Burnet Road. The City purchased that site for the North Austin Service Center. While the City's contractor was clearing the site, there was a large explosion that seriously injured a worker. In a subsequent investigation, a large amount of an explosive, benzoyl peroxide, was found at the site.

The City has expended over \$4 million to remediate the site and the project is not yet completed. The City has been utilizing the firm of Kemp Smith, L.L.P. for its environmental law expertise in the investigation of the explosion and litigation against Reichhold. The purpose of this litigation is to recover all or some of the City's costs related to the site.

This Council request will increase the outside counsel contract by \$455,000, for a total contract amount not to exceed \$575,000.